

CONSTRUCTION

Workforce Demographics



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INTRODUCTION

This publication examines some of the demographic trends and employment dynamics within the Construction Cluster. The Construction Cluster consists of all of the industry groups that comprise the North American Industry Classification System (NAICS) sector of construction.

The labor market is a complex, dynamic system, very active in both good and bad economic times. Firms continually add and eliminate jobs; workers frequently change employers or move in and out of the job market. Workforce experiences can vary greatly between men and women and among workers of different age groups, even under the same economic conditions. Using data from the Local Employment Dynamics (LED) Program, a partnership between the U.S. Census Bureau and selected states, this report provides insight into some of the job market complexities in Maryland's Construction Cluster.

For more information on the Local Employment Dynamics Program, go to <http://lehd.dsd.census.gov>.

SOURCE OF DATA

Local Employment Dynamics Program. Data are averages for four quarters ending 3rd Quarter 2003.

SCOPE OF COVERAGE

Private sector wage and salary employees covered by the Unemployment Insurance Law of Maryland. Because of conceptual and reference period differences, data from the LED program will differ from that reported by the Quarterly Census of Employment and Wages (QCEW), also known as the ES 202 report.

EXPLANATION OF TERMS

Average Monthly Earnings, New Hires – mean monthly earnings of new workers in their first full quarter of employment with a firm.

Employment – all workers employed by a firm at the beginning of the quarter.

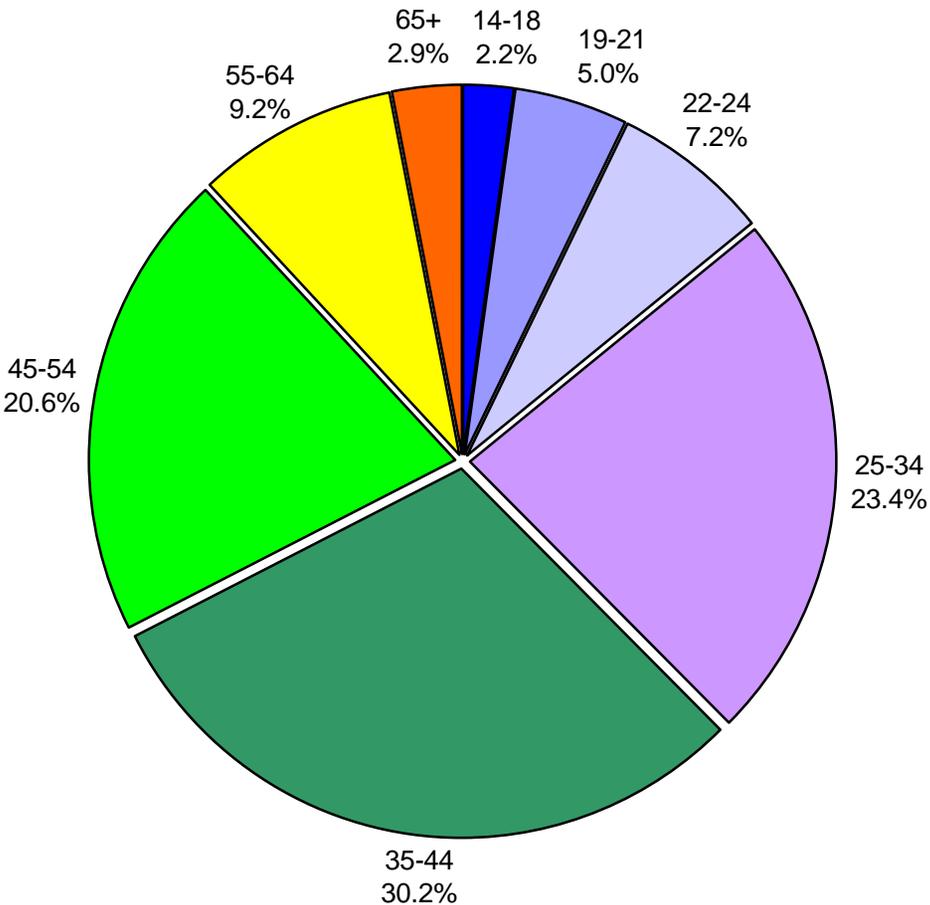
Job Gain – the sum of all jobs added by existing firms and created by new businesses during the reference period.

Job Loss – the sum of all jobs lost by existing firms or due to a firm going out of business or relocating.

Net Job Change – the difference between current and previous period employment across firms. Net Job Change = Job Gain – Job Loss.

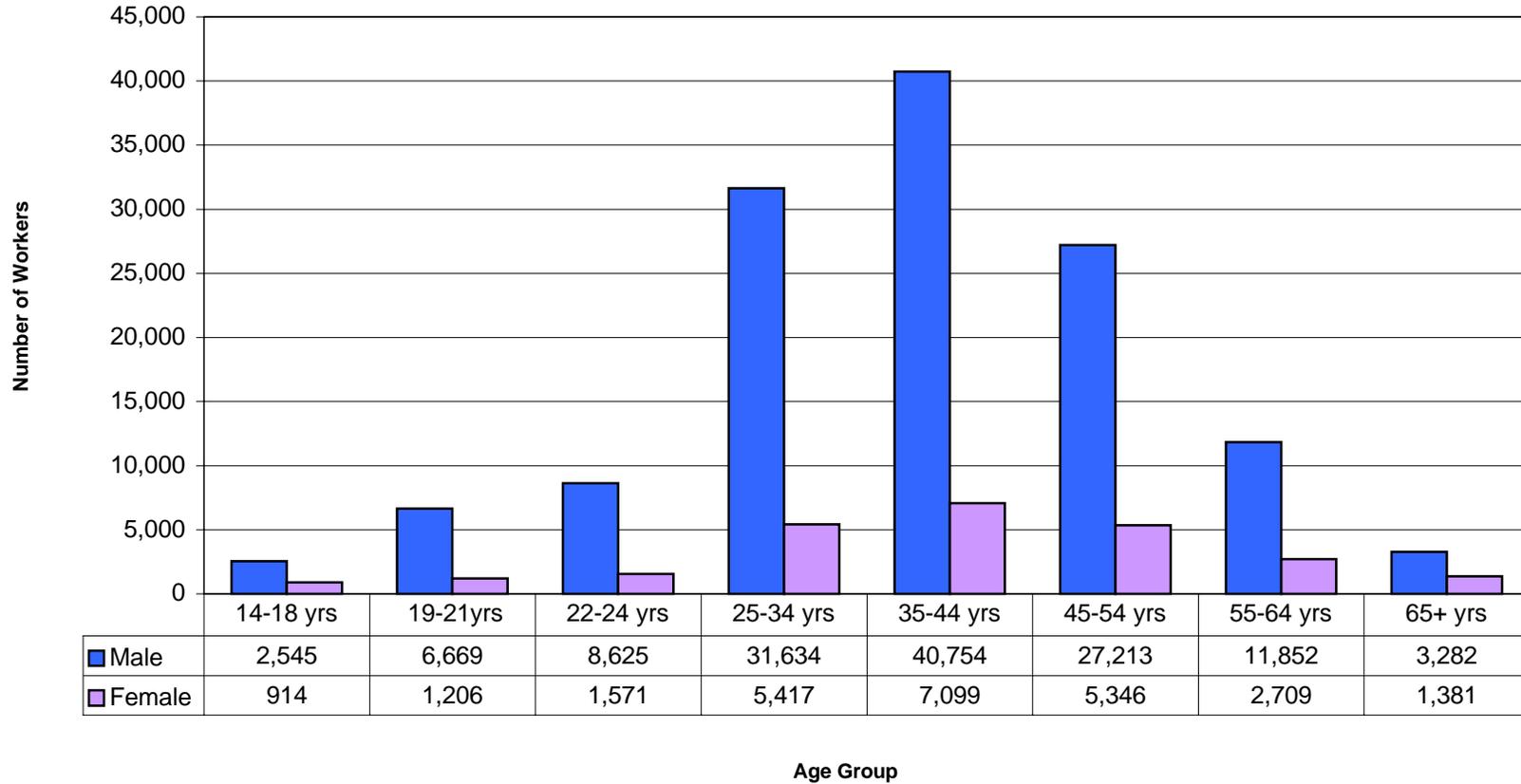
Turnover Rate – the percentage of workers moving into and out of employment with a firm during the reference period.

CONSTRUCTION EMPLOYMENT COMPOSITION BY AGE



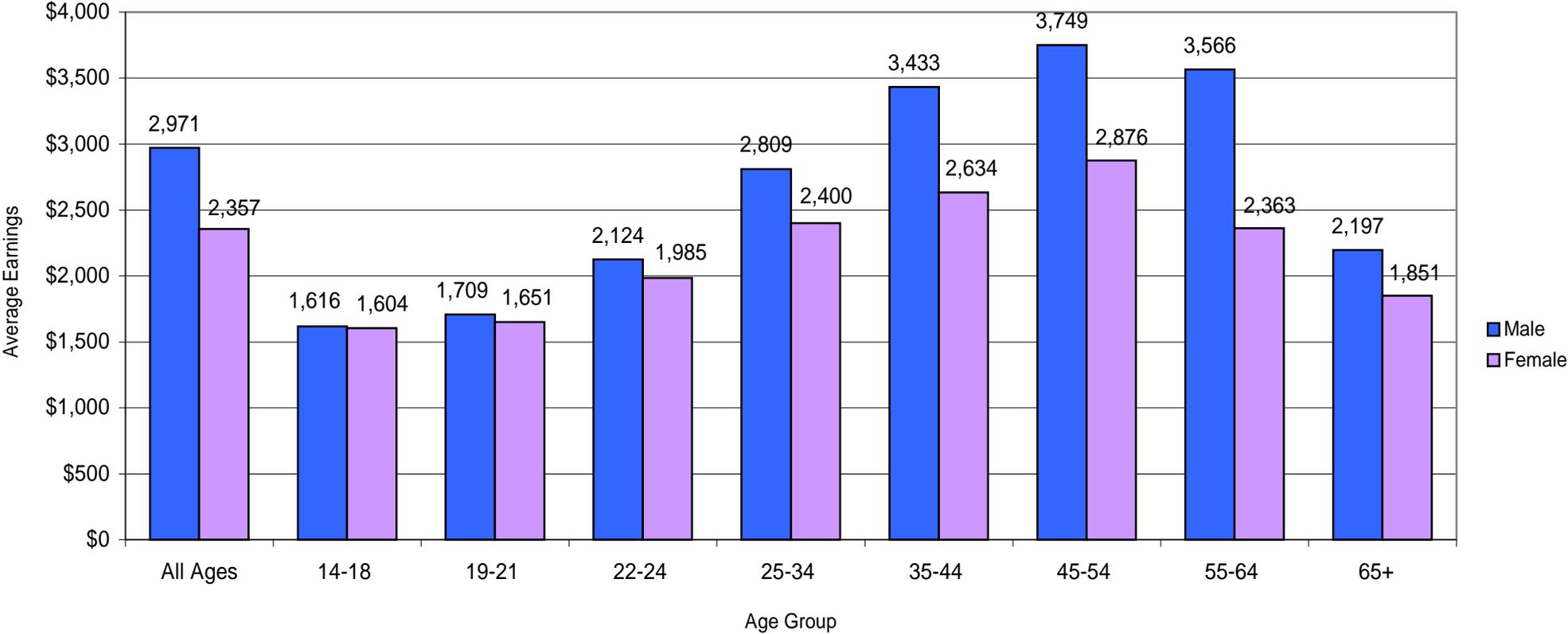
About three-fourths of the workforce in the construction industry cluster are in the prime working years of 25-54. Three out of ten construction employees are ages 35-44, a slightly larger proportion than that age group accounts for among all private sector employment. The youngest workers (14-18 years) comprise just over 2% of construction employment—about half their share in the private sector as a whole.

CONSTRUCTION EMPLOYMENT BY AGE & SEX



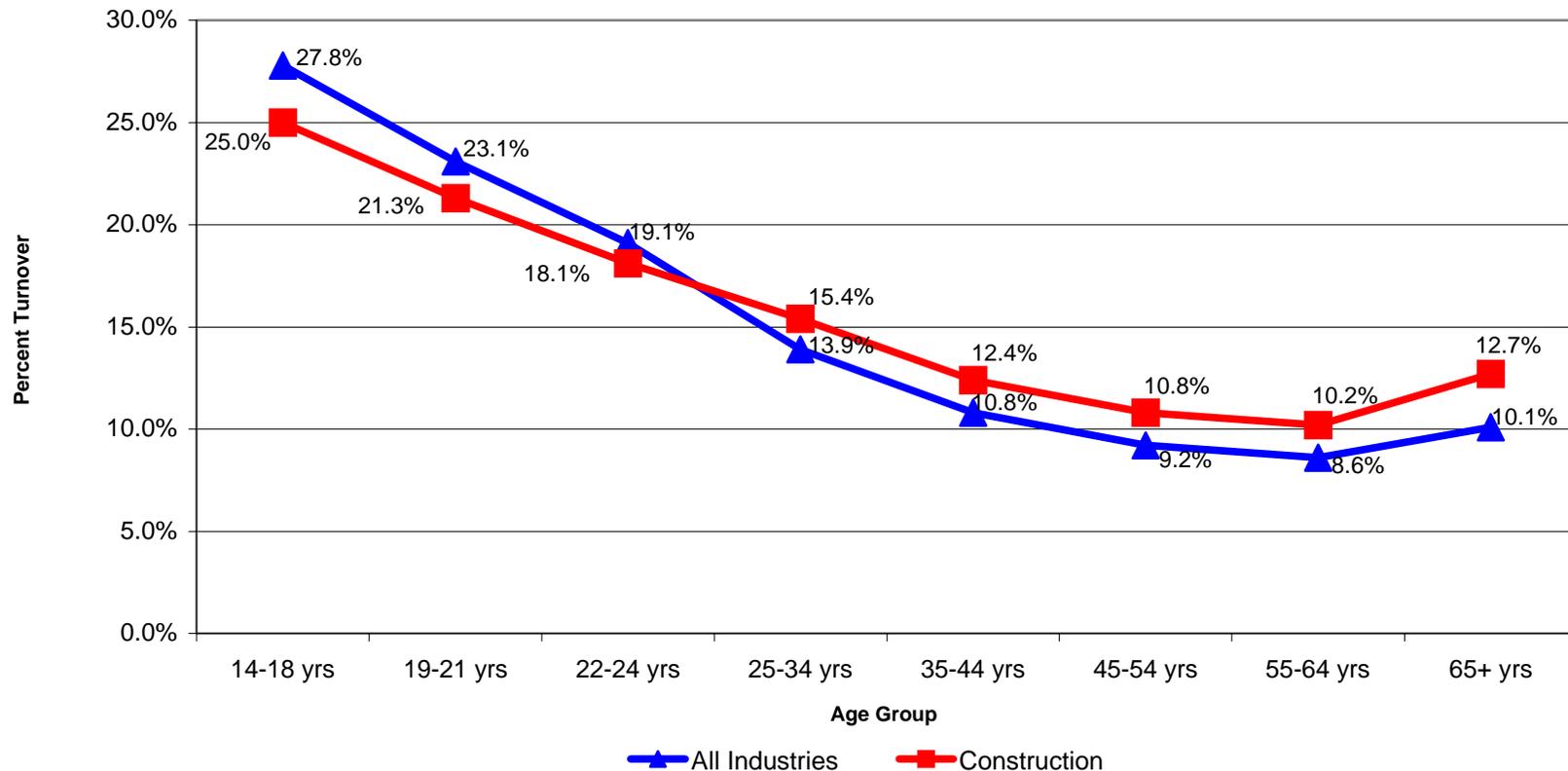
Employment in the construction cluster is dominated by male workers. Overall, about 84% of the industry’s employees are men, but their share of employment varies by age. Men make up about 70% of the 65+ workforce, but account for 85% of the 25-34 and 35-44 age cohorts.

AVERAGE MONTHLY EARNINGS NEW HIRES IN CONSTRUCTION BY AGE & SEX



Earnings for newly hired workers in the construction cluster—both men and women—peak during the ages of 45-54. The youngest and oldest new hires post below average earnings. Female new hires, on average, earn about 79% of what their male counterparts do, with the difference greatest among 55-64 year olds, but virtually nonexistent among workers 14-18 years.

TURNOVER RATES BY AGE CONSTRUCTION & ALL PRIVATE INDUSTRIES



Turnover in the construction industry follows a pattern fairly similar to that of the private sector as a whole. High turnover is characteristic of frequent job-changing young workers, with a leveling off during the middle years. Turnover rises again among 65+ workers as retirements increase. The slightly higher turnover observed in construction compared with all private industries is in part due to the nature of the employer-employee relationship. Among many skilled trades, worker attachment is primarily to the occupation, with employer changes often occurring when a project contract ends.